

**UNITED STATES BANKRUPTCY COURT
WESTERN DISTRICT OF MISSOURI**

In Re:) **In Proceedings Under Chapter 11**
))
FARMLAND INDUSTRIES, INC., et al.,) **Case No. 02-50557-JWV**
now known as REORGANIZED FLI, INC.,) **Joint Administration**
))
Debtors.)

NOTICE OF INTENT TO ABANDON PROPERTY

J.P. Morgan Chase Bank, N.A., successor-in-interest to J. P. Morgan Trust Company, N.A. (“Liquidating Trustee”), as Liquidating Trustee for the FI Liquidating Trust, pursuant to 11 U.S.C. § 554 and Bankruptcy Rule 6007 hereby gives notice of intent to abandon all remaining assets, rights and interests held by the FI Liquidating Trust to Reorganized FLI, Inc., the successor to Farmland Industries, Inc.

Background

1. On May 31, 2002, Farmland Industries, Inc. (“Farmland”), together with Farmland Foods, Inc., Farmland Transportation, Inc., SFA, Inc. and Farmland Pipe Line Company (collectively, the “Debtors”) filed a voluntary petition for relief under Chapter 11 of the Bankruptcy Code.

2. By and order dated December 19, 2003, the Debtors’ Second Amended Joint Plan of Reorganization, As Modified (the “Plan”), calling for a complete liquidation of the Debtors and their collective assets, was confirmed by an order of the Bankruptcy Court. The Effective Date of the Plan was May 1, 2004.

3. Pursuant to the Plan, the FI Liquidating Trust (the “Trust”) was established to liquidate assets, resolve disputed claims, make distributions to creditors and take other actions

necessary to effectuate the Plan. JP Morgan Trust Company, NA, was appointed to act as the Liquidating Trustee for the FI Liquidating Trust.

4. The Plan also established a Post-Confirmation Committee to assist and oversee the Liquidating Trustee's administration of the Debtors' estates.

5. Substantially all of the Debtors' assets have been liquidated by the Liquidating Trustee and their proceeds distributed the Debtors' creditors, bondholders and preferred shareholders pursuant to the Plan.

6. The Trust will terminate on May 1, 2009.

Abandonment of Remaining Trust Assets

7. The remaining assets held by the Trust, which have not been liquidated and/or collected, include (but are not limited to):

A. **Class A Common Stock of Reorganized FLI, Inc ("RFLI Stock")**. The Trust is the holder of 1 share of Class A common stock of RFLI, having majority voting power for RFLI.¹ Pursuant to the Plan, Debtor Farmland Foods, Inc. was merged into Debtor, Farmland Industries, Inc., which continued to exist as RFLI, a Kansas cooperative marketing association. The outstanding preferred shares of RFLI, other than the Class A share, are held by the holders of Allowed Class 8 Interests. Two thirds of the Class 8 Interest preferred shares are held in the name of the Trustee for the benefit of the former holders of Class 5 and 7, and the remaining one third of the Class 8 Interest preferred shares are held in "street name" by various financial institutions or brokers for those original holders whose preferred shares were deemed reinstated under the Plan.

B. **Residual Interest in Funds Held Back from Final Distribution for Trust Termination**. The Trustee has budgeted certain funds needed finalize administration and terminate the Trust, including funds needed to pay costs of administration of the Trust, post-confirmation obligations and claims against the Trust, and professional fees and expenses, which amounts will be held back from the Final Distribution.

¹ RFLI's Restated Articles of Incorporation provide that RFLI shall have 50 million shares of common stock par value \$25/share, 2 million shares of associate member common stock par value \$25/share, 8 million shares of preferred stock par value \$25/share, and 1 share of Class A common stock, which has voting rights equal to 2/3 of all votes of all holders of capital stock issued.

C. **Aurora Life Insurance Policies.** The Trust holds an interest in certain assigned life insurance policies, totaling \$135,128.

D. **CHS, Inc. 8% Cumulative Redeemable Preferred Shares.** The Trust holds 443 shares of CHS, Inc. 8% Cumulative Redeemable Preferred Shares.

E. **Undeliverable Distributions/Uncashed Checks.** The Trust anticipates that certain of the checks distributed in the Final Distribution may be returned as undeliverable and that certain checks may remain uncashed. Such unclaimed funds will be treated in accordance with the procedures established in the Court's Order on Motion for Entry of an Order in Aid of Consummation of the Debtors' Second Amended Joint Plan of Reorganization, as Modified, entered on September __, 2007.

These assets, rights and interests, as well as any other assets, rights and interests held by the Trust, are collectively referred to herein as the "Remaining Assets".

8. While the Remaining Assets are potentially valuable assets of the Debtors' estates, the Trustee has not been able to liquidate these assets prior to expiration of the current term of the Trust on May 1, 2009. It would be burdensome for the Trustee to seek an extension(s) of the Trust for additional years for the sole purpose of completing the administration of the Remaining Assets.

9. Accordingly, in order to maximize the value of the Remaining Assets for the benefit of the holders of Allowed Class 8 Interests, the Trustee seeks to abandon its interest in the Remaining Assets to Reorganized FLI, Inc. ("RFLI"), as the successor to the Debtors. Pursuant to the Plan, Debtor Farmland Foods, Inc. was merged into Debtor, Farmland Industries, Inc., which continued to exist as RFLI, a Kansas cooperative marketing association.

10. Distribution of the proceeds realized from the disposition or collection of such Remaining Assets to RFLI's shareholders shall be governed in accordance with the dissolution provisions of RFLI's by-laws.

11. RFLI has been adequately capitalized with funds held back from the Final Distribution, to fund administration of the Remaining Assets and RFLI's wind-up and dissolution activities.

12. Abandonment of the Trust's right, title and interest in all of the Remaining Assets to RFLI is authorized pursuant to Rule 6007 of the Federal Rules of Bankruptcy Procedure and Sections 554 and 105(a) of the Bankruptcy Code, and pursuant to Sections 5.4(b)(i), (v) and (vi) and 5.9 of the Plan.

13. Objections to the proposed abandonment must be filed with the Clerk of the United States Bankruptcy Court for the Western District of Missouri, 400 E. 9th Street, Kansas City, Missouri 64106; with a copy mailed to the undersigned at the address set forth below, on or before April 30, 2009. Unless an objection is filed, abandonment of the Remaining Assets will take place without further hearing. If an objection is filed, a hearing on the proposed abandonment and any objections thereto will be held before the United States Bankruptcy Court on such date and time as scheduled by the Court.

Respectfully submitted,

J.P. Morgan Trust Company, N.A., Liquidating
Trustee for the FI Liquidating Trust

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CERTIFICATE OF SERVICE

The undersigned hereby certifies that a copy of the foregoing Notice of Intent to Abandon Property was served electronically and was served via U.S. Mail, first class, postage prepaid on the parties not receiving electronic notice in these proceedings specified below, on April 15, 2009.

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/s/ Cassandra L. Writz